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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
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09/998,332

12/03/2001

Paul Norris

FAN-0027/US

5587

38680 7590 09/10/2007
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EXAMINER

GRAHAM, CLEMENT B

ART UNIT

PAPER NUMBER

3692

MAIL DATE

DELIVERY MODE

09/10/2007

PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary	Application No. 09/998,332	Applicant(s) NORRIS, PAUL	
	Examiner Clement B. Graham	Art Unit 3692	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 10 April 2007.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-27 is/are pending in the application.
 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-27 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
 Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
 Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
 a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08)
Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

1. Claims 1-27 remained pending in this Application

Claim Rejections - 35 USC § 101

2. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 1, 10, 18-19, are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

Applicant's claims are directed to an algorithm. Specifically, claim 1 recites "retaining", "determining" and "offering", however these steps are mere ideas in the abstract (i.e., abstract idea, law of nature, natural phenomena) that do not apply, involve, for example) and abstract ideas without a practical application are found to be non-statutory subject matter. Therefore, Applicant's claims are non-statutory as they do not produce a useful, concrete and tangible result.

Claim Rejections - 35 USC § 112

- 3 The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

4. Claims 1, 10, 18-19. are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

In particular, Claims 1, 10, 18-19, recites the word [" determining when the security is being squeezed"].

However this language fails to distinctly claim Applicant's invention because the scope of the claim is unclear, "what happen if the security is not being squeezed" ?----- . Moreover the specification fails to clarify, the meaning of the limitation. Appropriate correction is required.

Claim Rejections - 35 USC § 103

5. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

Art Unit: 3692

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

6. Claims 1-27, are rejected under 35 U.S.C. 103(a) as being unpatentable over Lupien et al (Hereinafter Lupien U.S Patent 5, 101, 353 in view Dictionary of Finance, (Hereinafter Dictionary, Fourth Edition 1995).

As per claim 1, Lupien discloses a method for enhancing the liquidity of a tradable security, comprising the steps of:

holding an issue of the security; retaining a first portion of the holding;

and offering to the market a second portion of the holding during the other than for the purpose of effecting non-borrowed reserves and to enhance the liquidity of the market for the security.(Note abstract and see column 2 lines 60-67 and column 3 lines 1-67).

Lupien fail to explicitly teach determining when the security is being squeezed.

However Dictionary discloses a security squeeze is tight money period, when loan money is scarce and interest rates are high, making borrowing difficult and expensive and is also called credit crunch, any situation where increased cost cannot be passed on the customers in form of higher prices.(see page 550 lines 23-33).

Therefore it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the teachings of Lupien to include determining when the security is being squeezed taught by Dictionary in order to determine what steps would be taken to enhance the liquidity of the market for the security.

As per claim 2, Lupien discloses wherein the step of offering to the market a second portion of the holding further comprises the step of auctioning the second portion of the holding to a group of market participants according to a predetermined bid range. (Note abstract and see column 2 lines 60-67 and column 3 lines 1-67 and column 15 lines 38-67 and column 16 lines 1-35).

As per claim 3, Lupien discloses wherein the bid range comprises a minimum bid set at a rate that is greater than or equal to about the rate for general collateral less about 175 basis points and not less than about 1 %. . (Note abstract and see column 2 lines 60-67 and column 3 lines 1-67 and column 15 lines 38-67 and column 16 lines 1-35).

As per claim 4, Lupien discloses further comprising the step of determining the results of the auction according to a pre-determined format. . (Note abstract and see column 2 lines 60-67 and column 3 lines 1-67 and column 15 lines 38-67 and column 16 lines 1-35).

As per claim 5, Lupien discloses wherein the first portion varies between a range of about 25% to about 50% of the issue. . (Note abstract and see column 2 lines 60-67 and column 3 lines 1-67 and column 15 lines 38-67 and column 16 lines 1-35).

As per claim 6, Lupien discloses wherein the second portion varies between a range of about 10% to about 25% of the issue. . (Note abstract and see column 2 lines 60-67 and column 3 lines 1-67 and column 15 lines 38-67 and column 16 lines 1-35).

As per claim 7, Lupien discloses wherein the second portion comprises all of the first portion. . (Note abstract and see column 2 lines 60-67 and column 3 lines 1-67 and column 15 lines 38-67 and column 16 lines 1-35).

As per claim 8, Lupien discloses wherein the second portion comprises less than all of the first portion. . (Note abstract and see column 2 lines 60-67 and column 3 lines 1-67 and column 15 lines 38-67 and column 16 lines 1-35).

As per claim 9, Lupien discloses further comprising the step of repoiing the second portion of the holding. . (Note abstract and see column 2 lines 60-67 and column 3 lines 1-67 and column 15 lines 38-67 and column 16 lines 1-35).

As per claim 10, Lupien discloses a method for enhancing the liquidity of a tradable security, comprising the steps of:

issuing the security;

retaining a first portion of the issuance of the security.(see column 1-5 paragraph 0002-0035 and column 6-12 paragraph 0036-0113)

establishing criteria for lending a second portion of the retained first portion of the issuance. (see column 2 lines 60-67 and column 3 lines 1-67 and column 15 lines 38-67 and column 16 lines 1-35) lending the second portion of the issuance of the security pursuant to the criteria other than for the purpose of effecting non-borrowed reserves;
(Note abstract and see column 2 lines 60-67 and column 3 lines 1-67 and column 15 lines 38-67 and column 16 lines 1-35).

Lupien fail to explicitly teach comment to provide a repo facility for the security, repointing the second portion of the issuance pursuant to the criteria.

However Dictionary discloses comment to provide a repo facility for the security, repointing the second portion of the issuance pursuant to the criteria. (see page 476 lines 12-29).

Therefore it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the teachings of Lupien to include comment to provide a repo facility for the security, repointing the second portion of the issuance pursuant to the criteria taught by Dictionary in order to provide a repurchase agreement.

As per claim 11, Lupien discloses wherein the step of lending the second portion of the issuance further comprises the step of auctioning the second portion of the issuance to a group of market participants, and the established criteria comprises a pre-determined bid range. . (Note abstract and see column 2 lines 60-67 and column 3 lines 1-67 and column 15 lines 38-67 and column 16 lines 1-35).

As per claim 12, Lupien discloses wherein the bid range comprises a minimum bid set at a rate that is greater than or equal to about the rate for general collateral less about 175 basis points and not less than about 1%... . (Note abstract and see column 2 lines 60-67 and column 3 lines 1-67 and column 15 lines 38-67 and column 16 lines 1-35).

As per claim 13, Lupien discloses further comprising the step of determining the results of the auction according to a pre-determined format. . (Note abstract and see column 2 lines 60-67 and column 3 lines 1-67 and column 15 lines 38-67 and column 16 lines 1-35).

As per claim 14, Lupien discloses wherein the first portion varies between the range of about 25% to about 50% of the issue. . (Note abstract and see column 2 lines 60-67 and column 3 lines 1-67 and column 15 lines 38-67 and column 16 lines 1-35).

As per claim 15, Lupien discloses wherein the second portion varies between the range of about 10% to about 25% of the issue. . (Note abstract and see column 2 lines 60-67 and column 3 lines 1-67 and column 15 lines 38-67 and column 16 lines 1-35).

As per claim 16, Lupien discloses wherein the second portion comprises all of the first portion. . (Note abstract and see column 2 lines 60-67 and column 3 lines 1-67 and column 15 lines 38-67 and column 16 lines 1-35).

As per claim 17, Lupien discloses wherein the second portion comprises less than all of the first portion. . (Note abstract and see column 2 lines 60-67 and column 3 lines 1-67 and column 15 lines 38-67 and column 16 lines 1-35).

As per claim 18, Lupien discloses a system for repoing a security in a market, comprising: commitment to the market to repo the security; issuance means for issuing the security; retention means for retaining a portion of the security (Note abstract and see column 2 lines 60-67 and column 3 lines 1-67 and column 15 lines 38-67 and column 16 lines 1-35) lending means for lending a second portion of the retained securities when the market for the security is special other than for the purpose of effecting non borrowed reserves; and (Note abstract and see column 2 lines 60-67 and column 3 lines 1-67 and column 15 lines 38-67 and column 16 lines 1-35).

Lupien fail to explicitly teach commitment to the market to repo the security, and repoing the securities to enhance the liquidity of the security.

However Dictionary commitment to the market to repo the security, and repoing the securities to enhance the liquidity of the security.(see page 476 lines 12-29).

Therefore it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the teachings of Lupien to include commitment to the market to repo the security, and repoing the securities to enhance the liquidity of the security taught by Dictionary in order to enhance the liquidity of the security by providing a repurchase agreement.

As per claim 19, Lupien discloses a method for enhancing the liquidity of a tradable security by an entity selected from the group consisting of: a private issuer, a non-treasury entity, a nongovernmental entity, and a non-agency entity, said method comprising the steps of:

holding an issue of a security; retaining a first portion of the holding; and offering to the market a second portion of the holding during the other than for the purpose of effecting non-borrowed reserves and to enhance the liquidity of the market for the security. (Note abstract and see column 2 lines 60-67 and column 3 lines 1-67).

Lupien fail to explicitly teach determining when the security is being squeezed.

However Dictionary discloses a security squeeze is tight money period, when loan money is scarce and interest rates are high, making borrowing difficult and expensive and is also called credit crunch, any situation where increased cost cannot be passed on the customers in form of higher prices.(see page 550 lines 23-33).

Therefore it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the teachings of Lupien to include determining when the security is being squeezed taught by Dictionary in order to determine what steps would be taken to enhance the liquidity of the market for the security.

As per claim 20, Lupien discloses wherein the step of offering to the market a second portion of the holding further comprises the step of auctioning the second portion of the holding to a group of market participants according to a predetermined bid range. . (Note abstract and see column 2 lines 60-67 and column 3 lines 1-67 and column 15 lines 38-67 and column 16 lines 1-35).

As per claim 21, Lupien discloses wherein the bid range comprises a minimum bid set at a rate that is greater than or equal to about the rate for general collateral less about 175 basis points and not less than about 1%.. (Note abstract and see column 2 lines 60-67 and column 3 lines 1-67 and column 15 lines 38-67 and column 16 lines 1-35).

As per claim 22, Lupien discloses further comprising the step of determining the results of the auction according to a pre-determined format. . (Note abstract and see column 2 lines 60-67 and column 3 lines 1-67 and column 15 lines 38-67 and column 16 lines 1-35).

As per claim 23, Lupien discloses wherein the first portion varies between a range of about 25% to about 50% of the issue. . . (Note abstract and see column 2 lines 60-67 and column 3 lines 1-67 and column 15 lines 38-67 and column 16 lines 1-35).

As per claim 24, Lupien discloses wherein the second portion varies between a range of about 10% to about 25% of the issue. . (Note abstract and see column 2 lines 60-67 and column 3 lines 1-67 and column 15 lines 38-67 and column 16 lines 1-35).

As per claim 25, Lupien discloses wherein the second portion comprises all of the first portion. . (Note abstract and see column 2 lines 60-67 and column 3 lines 1-67 and column 15 lines 38-67 and column 16 lines 1-35).

As per claim 26, Lupien discloses wherein the second portion comprises less than all of the first portion. . (Note abstract and see column 2 lines 60-67 and column 3 lines 1-67 and column 15 lines 38-67 and column 16 lines 1-35).

As per claim 27, Lupien discloses further comprising the step of repoing the second portion of the holding. . (Note abstract and see column 2 lines 60-67 and column 3 lines 1-67 and column 15 lines 38-67 and column 16 lines 1-35).

Conclusion

REPONSE TO ARGUMENTS

7. Applicant's arguments filed 4/10/07 has been fully considered but they are moot in view of new grounds of rejections.


Any inquiry concerning this communication or earlier communications from the examiner should be directed to Clement B Graham whose telephone number is 703-305-1874. The examiner can normally be reached on 7am to 5pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Hyung S. Sough can be reached on 703-308-0505. The fax phone numbers for the organization where this application or proceeding is assigned are 703-305-0040 for regular communications and 703-305-0040 for After Final communications.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is 703-305-3900.

CG

August 31, 2007


FRANTZY POINVIL
PRIMARY EXAMINER
Art 3692